

House Engrossed

State of Arizona
House of Representatives
Forty-seventh Legislature
First Regular Session
2005

CHAPTER 79

HOUSE BILL 2224

AN ACT

REPEALING SECTION 40-108, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2001, CHAPTER 238, SECTION 8; REPEALING SECTION 40-401, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2001, CHAPTER 238, SECTION 9; AMENDING SECTION 40-401, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2001, CHAPTER 300, SECTION 4; AMENDING SECTION 40-401.01, ARIZONA REVISED STATUTES; RELATING TO PUBLIC SERVICE CORPORATION ASSESSMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Repeal

3 Section 40-108, Arizona Revised Statutes, as amended by Laws 2001,
4 chapter 238, section 8, is repealed.

5 Sec. 2. Repeal

6 Section 40-401, Arizona Revised Statutes, as amended by Laws 2001,
7 chapter 238, section 9, is repealed.

8 Sec. 3. Section 40-401, Arizona Revised Statutes, as amended by Laws
9 2001, chapter 300, section 4, is amended to read:

10 40-401. Annual assessment by commission against public service
11 corporations; exception; rate of assessment; date of
12 levy; annual statement of company intrastate revenue

13 A. To enable the corporation commission to perform its lawful duties
14 relating to classifications to be used, rates and charges to be made and
15 collected, rules and regulations to be prescribed, and supervision over
16 public service corporations, the commission shall annually make an assessment
17 against each such corporation, excepting corporations not required to hold
18 certificates of convenience and necessity.

19 B. The AMOUNT OF THE assessment ~~required~~ TO BE MADE AGAINST EACH
20 CORPORATION pursuant to subsection A of this section shall be ~~prescribed~~
21 ~~annually by the commission at a rate sufficient to raise monies equal to the~~
22 ~~amount~~ computed as follows:

23 1. Determine the amount appropriated by the legislature for operating
24 the utilities division and a part of the administration, hearing and legal
25 divisions for the following fiscal year.

26 2. Multiply the amount determined in paragraph 1 by 1.2.

27 3. Subtract the monies estimated to remain unexpended in the utility
28 regulation revolving fund at the end of the current fiscal year FROM THE
29 AMOUNT DETERMINED IN PARAGRAPH 2. The difference ~~computed~~ is the TOTAL amount
30 to be raised by the assessment.

31 4. ADD THE GROSS OPERATING REVENUES DERIVED FROM INTRASTATE OPERATIONS
32 DURING THE PRECEDING CALENDAR YEAR FOR ALL CORPORATIONS WHOSE REVENUES
33 REPORTED PURSUANT TO SUBSECTION F OF THIS SECTION WERE GREATER THAN FIVE
34 HUNDRED THOUSAND DOLLARS.

35 5. FOR EACH CORPORATION WHOSE GROSS OPERATING REVENUES DERIVED FROM
36 INTRASTATE OPERATIONS DURING THE PRECEDING CALENDAR YEAR REPORTED PURSUANT TO
37 SUBSECTION F OF THIS SECTION WERE GREATER THAN FIVE HUNDRED THOUSAND DOLLARS:

38 (a) DIVIDE THE CORPORATION'S GROSS OPERATING REVENUES BY THE AMOUNT
39 DETERMINED IN PARAGRAPH 4.

40 (b) MULTIPLY THE TOTAL AMOUNT TO BE RAISED BY THE ASSESSMENT
41 DETERMINED IN PARAGRAPH 3 BY THE AMOUNT DETERMINED IN SUBDIVISION (a). THE
42 PRODUCT IS THE AMOUNT OF THE ASSESSMENT TO BE MADE AGAINST THE CORPORATION
43 PURSUANT TO THIS SECTION.

44 C. ~~The assessment rate prescribed pursuant to subsection B of this~~
45 ~~section shall be applied to the gross operating revenues derived from~~

1 ~~intrastate operations during the preceding calendar year of any such~~
2 ~~corporation if the gross operating revenues of the corporation exceeded two~~
3 ~~hundred fifty thousand dollars during that preceding calendar year. In no~~
4 ~~event may the sum of the assessment rates~~ NOTWITHSTANDING THE AMOUNTS
5 DETERMINED IN SUBSECTION B OF THIS SECTION AND SECTION 40-401.01, SUBSECTION
6 B, THE SUM OF THE AMOUNTS ASSESSED under this section and section 40-401.01
7 SHALL NOT exceed ~~two-tenths~~ ONE-QUARTER of one per cent of any such
8 corporation's gross operating revenues derived from intrastate operations
9 during the preceding calendar year.

10 D. The assessment prescribed by subsections A and B of this section
11 shall be levied by the commission not later than June 15 and shall be paid
12 within fifteen days after mailing by registered mail to any such corporation
13 notice thereof and a statement of the amount.

14 E. On or before January 10, each public service corporation with gross
15 operating revenues greater than ~~two hundred fifty~~ FIVE HUNDRED thousand
16 dollars shall file with the commission a statement showing its estimated
17 gross operating revenues derived from intrastate operations during the
18 preceding calendar year.

19 F. On or before May 1, each public service corporation shall file with
20 the commission, under oath, a statement showing its gross operating revenues
21 derived from intrastate operations during the preceding calendar year.

22 Sec. 4. Section 40-401.01, Arizona Revised Statutes, is amended to
23 read:

24 40-401.01. Residential utility consumer assessment; exceptions;
25 rate of assessment; date of levy; annual statement
26 of company intrastate revenue

27 A. To fund the residential utility consumer office the commission
28 shall annually make a residential utility consumer assessment against each
29 public service corporation, excepting corporations not required to hold
30 certificates of convenience and necessity and member-owned nonprofit
31 cooperative corporations.

32 B. ~~The residential utility consumer~~ AMOUNT OF THE assessment required
33 TO BE MADE AGAINST EACH CORPORATION pursuant to subsection A of this section
34 shall be ~~prescribed annually by the commission at a rate sufficient to raise~~
35 ~~monies equal to the amount~~ computed as follows:

36 1. Determine the amount appropriated by the legislature for operating
37 the residential utility consumer office for the following fiscal year.

38 2. Subtract the monies estimated to remain unexpended in the
39 residential utility consumer office revolving fund at the end of the current
40 fiscal year FROM THE AMOUNT DETERMINED IN PARAGRAPH 1. The difference
41 ~~computed~~ is the TOTAL amount to be raised by the assessment.

42 3. ADD THE GROSS OPERATING REVENUES DERIVED FROM INTRASTATE OPERATIONS
43 SERVING RESIDENTIAL CONSUMERS DURING THE PRECEDING CALENDAR YEAR FOR ALL
44 CORPORATIONS WHOSE REVENUES REPORTED PURSUANT TO SECTION 40-401, SUBSECTION F
45 WERE MORE THAN FIVE HUNDRED THOUSAND DOLLARS.

1 4. FOR EACH CORPORATION WHOSE GROSS OPERATING REVENUES DERIVED FROM
2 INTRASTATE OPERATIONS DURING THE PRECEDING CALENDAR YEAR REPORTED PURSUANT TO
3 SECTION 40-401, SUBSECTION F WERE GREATER THAN FIVE HUNDRED THOUSAND DOLLARS:

4 (a) DIVIDE THE CORPORATION'S GROSS OPERATING REVENUES DERIVED FROM
5 INTRASTATE OPERATIONS SERVING RESIDENTIAL CONSUMERS REPORTED PURSUANT TO
6 SUBSECTION E OF THIS SECTION BY THE AMOUNT DETERMINED IN PARAGRAPH 3.

7 (b) MULTIPLY THE TOTAL AMOUNT TO BE RAISED BY THE ASSESSMENT AS
8 DETERMINED IN PARAGRAPH 2 BY THE AMOUNT DETERMINED IN SUBDIVISION (a). THE
9 PRODUCT IS THE AMOUNT OF THE ASSESSMENT TO BE MADE AGAINST THE CORPORATION
10 PURSUANT TO THIS SECTION.

11 C. ~~The assessment rate prescribed pursuant to subsection B of this~~
12 ~~section shall be applied to the gross operating revenues derived from~~
13 ~~intrastate operations serving residential consumers during the preceding~~
14 ~~calendar year of any such corporation if the gross operating revenues of the~~
15 ~~corporation exceeded two hundred fifty thousand dollars during that preceding~~
16 ~~calendar year. In no event may the sum of the assessment rates~~
17 NOTWITHSTANDING THE AMOUNTS COMPUTED PURSUANT TO SUBSECTION B OF THIS SECTION
18 AND SECTION 40-401, SUBSECTION B, THE SUM OF THE AMOUNTS ASSESSED under this
19 section and section 40-401 SHALL NOT exceed ~~two-tenths~~ ONE-QUARTER of one per
20 cent of any such corporation's gross operating revenues derived from
21 intrastate operations during the preceding calendar year.

22 D. The residential utility consumer assessment prescribed by
23 subsections A and B of this section shall be levied by the commission not
24 later than June 15 and shall be paid within fifteen days after mailing by
25 certified mail to any such corporation notice thereof and a statement of the
26 amount.

27 E. Each public service corporation shall, on or before May 1, file
28 with the commission, under oath, a statement showing the gross operating
29 revenues derived from intrastate operations during the preceding calendar
30 year that were received from residential consumers.

31 F. The commission shall promulgate an order defining "residential
32 consumer" for purposes of the residential utility consumer assessment
33 prescribed by this section.

34 Sec. 5. Requirements for enactment; two-thirds vote

35 Pursuant to article IX, section 22, Constitution of Arizona, this act
36 is effective only on the affirmative vote of at least two-thirds of the
37 members of each house of the legislature and is effective immediately on the
38 signature of the governor or, if the governor vetoes this act, on the
39 subsequent affirmative vote of at least three-fourths of the members of each
40 house of the legislature.

APPROVED BY THE GOVERNOR APRIL 14, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 14, 2005.

Passed the House February 21, 2005,

by the following vote: 40 Ayes,

19 Nays, 1 Not Voting
Article IX, Section 22

Speaker of the House

Norman L. Moore
Chief Clerk of the House

Passed the Senate April 7, 2005

by the following vote: 20 Ayes,

9 Nays, 1 Not Voting

with Article IX, Sec. 22
Klu Blumett
President of the Senate

Chaimin Billington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

11th day of April, 2005

at 3:45 o'clock P. M.

Winnifred Ibarra
Secretary to the Governor

Approved this 14 day of

April, 2005,

at 3:40 o'clock P. M.

John R. McEwen
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 14 day of April, 2005

at 4:39 o'clock P. M.

Price K. Brewer
Secretary of State

H.B. 2224